



Islamic Republic Of Afghanistan

Kabul Municipality



PROCUREMENT POLICY

DEPARTMENT OF ADMINISTRATION

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Signature: _____



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List of Acronyms

PR	Purchase Requisition
PO	Purchase Order
RFCB	Request for Competitive Bids
BD	Bid Document
ICNL	Inventory Control Number Log
PFEML	Public Finance and Expenditure Management Law



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Objective

According to Article 75, Section 4 of the Afghanistan Constitution the procurement policy was enacted to standardize the public procurement of goods, services and coordination of works, both domestic and international, for administrations, institutions, and mixed companies.

The Purpose

Procurement refers to the acquisition of goods or services. These policies are the basis for good business practices to ensure that KM has obtained the best price or best value for purchases. The purpose of these policies and procedures is to ensure that:

- Full and open competition has been utilized to the maximum extent practical;
- The ultimate amount paid for goods and services are fair and reasonable and allowable charges to the project;
- Materials and services are obtained in an effective manner and in compliance with the provisions of applicable Afghanistan Procurement Law, and executive orders.

The following are the draft procurement policy for KM.

All District Offices of KM must adhere to the following KM competitive bidding procedures for all procurement activities. Detailed documentation of the bidding process must be retained in KM files for audit purposes.

The KM Mayor is ultimately responsible for the integrity of all procurement activities. The KM will designate the DG Procurement as the person to coordinate and be responsible for daily purchasing activities.

It is the personal responsibility of each KM employee to adhere to these policies, whether imposed by law or KM's Code of Conduct in Purchasing.

Procurement files for procurement decisions are subject to inspection by auditors. Therefore, compliance with the procurement procedures contained in this manual is mandatory in order to ensure decisions are documented and all information related to expenditure is available for audit purposes.

The following general policies apply to all procurements:

1. KM shall not purchase items that are not necessary for the performance of the program activities.
2. All KM procurement department employees responsible for purchasing must be familiar with the Article 3 of Afghanistan Procurement law "Terminologies" (see Annex 1).
3. Procurement records and files shall be maintained that include all of the following:
 - a. The basis for vendor selection including all solicitation and response documents



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- b. Justification for lack of competition (single-source procurement).
- c. Documentation of the price analysis, and cost analysis (if required).
 - I. Price analysis should always be performed. A price analysis compares prices of multiple bids or information from other sources, such as established catalog or market prices, or prices for similar past purchases.
 - II. Under certain circumstances, a cost analysis may also need to be performed. A cost analysis is always required if payment will be cost reimbursement, and it may also be required for other types of contracts when there is not adequate price competition. A cost analysis is the process of analyzing the individual cost elements of a vendor's proposal in order to determine the reasonableness of each element. Documentation of the analysis is recorded on a Cost Analysis Checklist.

Procurement Plan Development

Article 11 of Afghanistan Procurement Law illustrates that all governmental entities shall develop procurement plans that will carry out the purposes of this policy, the following points are important to take into account:

- Check the availability of financial resources;
- Economies of scale and volume;
- Suitable time; and
- Other restrictions.

It's important for KM to comply with the Public Finance and Expenditure Management Law (PFEML) in developing and submitting their procurement plans;

Commencements of Procurement proceeding

This is important to know that no procurement proceeding may begin prior to the approval of the details of the procurement, the confirmation of needs and the allocation of budget. In addition, the accumulative value of similar goods, works or services to be procured during a fiscal year shall be quantified and calculated by the entity.

Funds allocation

The provision of funds in in accordance with Article 12 clause (1) of Afghanistan Procurement Law shall be certified in bidding documents and request for proposals. Every procurement contract, including any purchase order shall stipulate the applicable budget code.

In exceptional circumstances; the entity may initiate procurement proceedings after receiving the written approval from the Treasury Department of Ministry of Finance, without need to comply with the provisions of Article 12(1) of this Law.



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Article 13 clause (3) of Afghanistan Procurement Law illustrate that, *multi-year contracts may be entered into only on the basis of the prior approval of the Ministry of Finance. Planned procurement expenditures pursuant to multiyear contracts shall be reported to the Ministry of Finance annually in the documented form depicting the actual annual expenditure and progress of the contract.*

Procurement

The bid documents, and any included plans, samples and designs shall clearly describe detailed requirements with respect to a) quality and quantity, b) services, c) technical Specification, symbols, terminology, packaging, marking and labeling, d) contract terms, e) certification, f) testing and test methods or other means for evaluating.

To avoid complications to participation by bidders in the *procurement proceedings* bidding and pre-qualification documents shall convey descriptive information that does not unreasonably favor a [particular] bidder by:

1. Describe the goods, works and services according to its efficiency and effectiveness;
2. Describe domestic and international standards.

There is no need to provide reference in the technical specifications to a particular trademark or name, patent, design or type, specific origin, producer or service provider, unless:

1. There is no other practical way of describing the procurement requirements,
2. Words such as “*or the equivalent*” are included in the specifications referenced in article 13 clause (1) of Afghanistan Procurement law.

KM shall describe actual needs which the procurement is intended to satisfy and avoid descriptions involving features in addition of actual needs.

KM procurement delegate should:

- Be impartial; all offers which conform to the requirements must be considered.
- Be alert to any potential conflicts of interest
- Be alert to any noncompetitive practices among vendors/contractors that may restrict, eliminate, or restrain trade;
- In order to be able to fully analyze all cost elements, obtain complete price/cost breakdowns (hourly rates, etc.) inclusive of transportation charges.
- Not permit vendors/contractors who develop specifications, requirements, RFPs, or any other form of solicitation of bids or proposals to bid on such procurements;
- Award contracts to bidders whose product/service is most advantageous in terms of price, quality, experience, and other factors that will ensure the best value for the expenditure;



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- Issue solicitations that clearly set forth all requirements to be evaluated in accordance with the guidelines in this manual
- Reserve the right to reject any and all bids when it is in KM's best interest.

The KM Mayor and the Deputy General Procurement should familiarize themselves with all procurement regulations specified by the Afghan procurement law.

The following procurement procedures must be implemented in 22 district level offices of KM.

Procurement Approval Authority:

The authority to procure goods and services falls on different staff members, depending on the cost of the goods or services to be purchased.

a) Approval of Contracts

All contracts shall be approved by *award authority* considering the eparchy limit in coherence with the provisions of Article 91 of procurement law.

In addition, when a contract award would exceed *award authority's* authority limits, the award authority must confirm contract award endorsement/recommendation before submitting it to the DG procurement and KM Mayor.

The following table should be used as a reference for all procurement activities:

Procurement Method	Approval Authority of Minister		
	Goods in Afs	Works in Afs	Services in Afs
National Open Tendering	20,000,000	100,000,000	20,000,000
International Open Tendering	40,000,000	200,000,000	40,000,000
National Restricted Tendering	8,000,000	16,000,000	8,000,000
International Restricted Tendering	16,000,000	32,000,000	16,000,000
National Single Source Procurement	5,000,000	25,000,000	5,000,000
International Single Source Procurement	10,000,000	50,000,000	10,000,000
Request for Proposals for Consultancy Services National and International	-	-	40,000,000
Request for Quotation	500,000	500,000	500,000

Award Authority may partially or in full delegate the powers set up in clause (1) of Article 91 delegated to them to secondary units, Deputy Ministers and Directors of the relevant departments.



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The bid process

Request for bids

Assuming there is more than one potential supplier, the DG Procurement in coordination with Purchasing Agent will prepare a Request For Competitive Bids (RFB, see Annex 2), which contains all of the information normally found in a Purchase Order, along with instructions for submitting a written bid as well as a closing date and time for the bid process. The closing date and time must be chosen so as to allow a fair and reasonable time for all bidders to participate. The Purchasing Agent will cause the RFB and a blank Bid Document (see Annex 3) to be sent to the known vendors and, where appropriate, to be published in trade publications or newspapers.

Damages for non-compliance

Depending on the circumstances as to the required date of delivery, specificity of materials or other factors as determined to be appropriate by the Purchasing Agent and approved by the DG Procurement, the RFP may contain a clause specifying that the submission of a bid constitutes a formal contract between the bidder and KM and that any bidder selected in the process that cannot deliver the required product in the time specified is liable for damages of a specified amount.

Receipt of bids

The DG Procurement will hold, unopened and in a secure place, all bids received during the open period.

Bid Opening

At the specified time and date for closure of the bidding, “*procurement committee*” will hold a formal public meeting to which all bidders and other interested parties are invited. The still sealed bids held by the *procurement committee* will be individually opened and recorded on a list of official bids and at the same time revealed to the audience.

Selection of supplier

The lowest bid that meets all of the requirements specified in the RFB will normally be selected as the supplier. If fewer than three valid bids are received, or if there are any other deviations from this process, a joint written explanation from the *procurement committee* approved in writing by the KM Mayor is required to award the business to the otherwise successful bidder.

Notification of selected supplier

The supplier selected must be notified in writing and the order evidenced by Purchase Order prepared.

Disposition of competitive bid documents

All bids received, along with their postmarked envelopes and other materials, are to be kept as a package along with the Purchase Requisition and the Purchase Order and submitted to



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Administration and Finance Department as supporting documentation for the appropriate asset and/or audit files.

Receipt

The only party authorized to receive Goods on behalf of KM is the Inventory Officer appointed by the *Procurement Committee* and DG Procurement. Whenever the Inventory Officer receives Goods it must be against an approved and completed Purchase Order in the Deliveries Outstanding file. When such Goods are received, it is compared against the Purchase Order and the shipping documents for number, type, specifications, etc., and is inspected for damage. If the materials are specified as hazardous in the Purchase Order, the Inventory Officer is notified when Goods is received to carry out any necessary inspections or procedures. Assuming that all is in order, the shipping documents are approved and signed by the Inventory Officer (and the Inventory Officer where appropriate), attached to the Purchase Order from the Deliveries Outstanding file, and the entire package is forwarded to the Admin Finance Department for verification against their outstanding Purchas Order file, and for the creation of an Account Payable. If the item(s) purchased are non-expendable (a useful life of more than one year and an individual cost of more than **Afs 12500**), the Inventory Officer then applies an inventory control number to the Goods and records that action with the appropriate information in the Inventory Control Number Log (see Annex 4). Finally, the Inventory Officer notifies the initiator of the Purchas Order that the materials are available for pick-up.

Regulatory structure

All laws and regulations of the Islamic Republic of Afghanistan will be strictly adhered to. Such laws and regulations may from time to time require special procedures (special rules or regulations governing the transport and/or storage of hazardous materials, might be an example, or Goods coming from a country with which Afghanistan has a special economic relationship). It is the responsibility of the *Procurement Committee* and DG Procurement to assume direct authority for such cases and, with the written approval of the KM Mayor, to allow one-time modification of the policies and procedures described in this section to be developed so as to allow KM to handle such specific cases as they arise or as they are anticipated.

Block purchases

The “*procurement committee*” and DG Procurement may, at his/her discretion, achieve economies of scale by pooling required quantities of various recurring or common items across budgetary units (office supplies as an example) and authorizing the Purchasing Agent to purchase quantities to satisfy the pooled needs. Such pooled purchases will be held centrally and the budgetary units may then draw against them by completing the normal Purchase Requisition process. Items purchased by budgetary units from these central stores will be charged to them at cost (including any necessary storage), but in no case should that cost exceed the charge that would be incurred by individual orders. The DG of Administration and Finance must approve the initiation of any block purchase. Such approval is deemed to include the allocation of necessary storage facilities.



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Emergency procedures

If the KM Mayor determines that an emergency condition exists such that the delay caused by following the procedures described above, including competitive bidding, may result in significant harm or damage to KM, its property or personnel (including staff or stakeholder), then the KM Mayor may declare an emergency and vacate such policies for specific purchases (for example, repair of a broken water main or cooling system, flood in the city or disaster). Such declaration must be made in writing and signed by the KM Mayor. Any Purchase Order generated under such declaration must have a copy of the declaration attached and be signed by both the KM Mayor and the *procurement committee*. The KM Mayor in consultation with DG Procurement must make a complete written report of any such emergency declaration and include with the report a list of all purchases made under such declaration that did not follow normal procedures.

Review, reconciliation and assessment of effectiveness

- At the close of each month the procurement committee and the Inventory Officer (or designee) will review all outstanding PRs, and all completed POs in the Deliveries Outstanding file, take whatever follow-up action is necessary, and report on the status of all outstanding items to the initiators of the PRs.
- At the close of each month the Inventory officer (or designee) will submit the Inventory Control Number Log to the Administration and Finance Department. The Administration and Finance Department will then reconcile the numbers in the Inventory Control Log to the numbers assigned to the various assets as recorded in the accounting records.
- The annual inventory of furnishings and equipment serves as an additional measure of effectiveness of the application of inventory control numbers.
- The annual survey of KM staff carries questions that relate to the timely provision of supplies, equipment and other items, all of which may reflect directly on the purchasing process. The *procurement committee* DG Procurement will review the results of this survey with the KM Mayor annually to determine if there are areas of concern or where improvement is needed, and together they will agree on an action plan and a timeline to accomplish any such changes as necessary.
- Annually, the *procurement committee*, DG Procurement will review the purchasing procedures both independently and with each of the parties involved for accuracy, efficacy and efficiency. The results of this review will be submitted to the KM Mayor as a written report and will serve as one of the means of instigating any necessary changes in the system.

Competitive Bidding Process

The purpose of the competitive bidding process is to ensure that purchase prices are fair and reasonable, and that the best value is provided to the program. In order to achieve this, clear and precise specifications for the necessary goods or services must be established and provided. This



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ensures that potential suppliers respond to the same specifications, and that accurate price comparisons may be made. For all procurement activities, it is necessary to obtain at least three offers or bids for evaluation.

As a general rule, the vendor offering the lowest price must be selected. If the lowest bid is not selected, written justification for this decision must be included in the procurement file, explaining why the selected vendor is technically acceptable for the procurement, but not the lowest price for the KM.

The following steps outline KM's competitive bidding process.

- A. **Specifications:** The *procurement committee* and DG procurement clearly specifies any goods or services to be purchased, vendor eligibility, how bids will be evaluated, and vendor notification process. For procurements in excess of -----, a Request for Quote (RFQ) must be drafted. The specifications should include the submission date, time, and location where quotes should be submitted. For procurements in excess of -----, a formal Request for Proposal (RFP) must be drafted. The specifications should include the submission date, time, and location where quotes should be submitted.
- B. **Publication:** the *RFP* is publicized to ensure the greatest practicable level of competition. It is important to publish the specifications in as many different venues as possible (e.g., print advertisements, journals, websites, etc.).
- C. **Bid Documentation:** Appropriate documentation for the procurement selection depends on the cost of the purchase. See the table above for guidance.
- D. **Review:** After at least three bids are obtained, all bids are reviewed and evaluated against the established financial and technical criteria. This review should be performed by the procurement committee and DG procurement in consultation with KM Mayor.
- E. **Selection:** The selection must be documented on the *Source Selection Form*.
- G. **Documentation:** The Source Selection Form and all quotes/bids must be retained in the KM files.

Procurement on a Single-Source Basis

Single source procurements (procurements made without using a competitive process) can only be made under the certain circumstances and should be considered an exception to standard practice. If a vendor is selected without using a competitive process, the justification for the selection must be documented on the Source Selection Form;

Single-source procurement is permitted only in the following circumstances:

- a) The *Procurement Committee* and DG Procurement decision is supported by a written justification, included in the record of the procurement proceeding; demonstrates that only one contractor is able to fulfill the procurement requirements within the time required;



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- b) The contractor has limited rights in the goods, works or services needed, in accordance with the requirements of this procurement Law, for which no adequate substitute exists; or
- c) When there is an emergency need for the goods, works or services, involving an imminent threat to public health, welfare, or safety, or an imminent threat of damage to property, and the time required for engaging in tendering proceedings or other procurement methods would be impractical
- d) The estimated value of the procurement does not exceed 3000 Afs.
- e) The estimated value of the procurement does not exceed the amount set out in article 91 of Afghanistan Procurement Law clause (1) (V) and (VI).
- f) No publication of announcement is required for single source procurement.

A written procurement contract must be used for single-source procurement. The procuring entity shall prepare a written description of its requirements as to quality, quantity, terms, time of delivery, and any special requirements, and shall be required to negotiate with the bidder, in accordance with the related procedures.

Prequalification

For repeated procurement of similar types, the KM may decide to create a list of prequalified vendors. Creating such a list allows for limited competition, which can streamline the process and achieve the best pricing in shorter periods of time.

The following process can be used to develop a list of Prequalified Vendors:

- A prequalification proceeding may be held for procurements of complexity, or for groups of contracts in order to identify bidders that are qualified to submit bids. Qualifications of bidders in prequalification proceedings will be assessed in accordance with the Article 17(3).
- Vendors interested in participating in the bidding process for such goods or services would forward an Expression of Interest to the KM Employee who has been assigned as the contact for the Prequalification process.
- A Request for an Expression of Interest (EOI) must be published on a full and open competitive basis detailing the type of goods or services to be procured and the criteria required of the potential vendors
- EOIs are evaluated by the Procurement Committee to determine which ones meet the established criteria and offer competitive pricing.
- Selected vendors would then remain on a List of Prequalified Vendors.
- The List of Prequalified Vendors may include one or more vendors for each type of good or service; in an instance where only one vendor is listed, the Procurement Committee



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must document in the file that it is the only vendor that applied which meets the established criteria.

At the time(s) that it is necessary to procure the good or service for which KM has pre-qualified vendors, the KM purchaser:

- Selects a pre-qualified vendor and requests a quotation for the specified work. This is required for all procurements made from the prequalified vendor list so that the KM purchaser is able to determine that the pricing offered is the same or less than that offered in the vendor's original EOI.
- Issues a written RFQ or RFP to the selected vendor as required;
- The prequalification process should be periodically repeated and refreshed every two-year over in order to ensure that KM has a current listing of qualified vendors offering competitive pricing.

Consultants

Consultants possess skills that allow them to produce final technical/programmatic products without direct supervision from KM Staff. Consultants are not employees and do not receive employment-related benefits or allowances.

Because KM procures specific services, expertise, or products from consultants as independent contractors, the evaluation and selection of consultant services must also comply with the procurement requirements and thresholds of this section.

Relevant documentation that is required in order to procure Consultant Services includes:

- A scope of work (SOW) for the consultant
- Consultant's curriculum vitae to establish credentials and consultant history
- Consultant's payment or salary history for the previous three years to establish the pricing/daily rate and to allow for comparative evaluation of consultants who are bidding for specific Scopes of Work.

Consultant Service Agreements describe the work to be performed by consultants, associated deliverables, and other terms and conditions of their work and payment. Service agreements must be signed by both the Consultant and the authorized designees and KM Mayor.

The Senior KM Employee should be familiar with these terms and construct payment accordingly.

Completing Purchases

Purchase Order, Vendor Consulting Agreement or Service Agreement Once a bid is approved; the employee completes a pre-numbered purchase order for each purchase and provides it to the



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supplier, with a copy retained in the project's open purchase order file. Each purchase order must provide the following information.

- a) Vendor name
- b) Description of goods or services
- c) Price of goods or services
- d) Quantity
- e) Payment terms
- f) Signature of *procurement committee* and DG Procurement/Mayer.

Receiving Reports Upon the physical receipt of goods, the employee completes a pre-numbered receiving report to verify that the goods have been delivered. Each receiving report must include the following information.

- a) Price of goods or services
- b) Property information, such as serial or identification number
- c) Description of goods or services
- d) Supplier.

A copy of each receiving report must be retained in a receiving report log, to be maintained by the staff member designated by the DG Procurement.

Invoicing: The supplier must submit an invoice before payment is made. The supplier's invoice must be signed by DG procurement and copies of the purchase order and receiving report must be attached before the invoice is paid.

It is the responsibility of DG Procurement to make sure that all necessary documents are submitted before payments are processed.

Code of Conduct in Purchasing

Ethical conduct in managing KM's purchasing activities is absolutely essential. Staff members must always be mindful that they represent and share a professional trust with KM's staff.

All KM staff involved in procurement actions shall conduct business with potential and current suppliers in an atmosphere of good faith.

Staff members shall discourage the offer of, and decline, individual gifts or gratuities of value that might influence or give the appearance of influencing the purchase of supplies, equipment, and/or services.

Staff members shall notify their immediate supervisor if they are offered such gifts.



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No officer, board member, employee, or agent shall participate in the selection or administration of a vendor if a real or apparent conflict of interest would be involved unless the potential conflict has been disclosed and managed pursuant to KM's Code of Conduct.

Such a conflict would arise if there exists

(i) An actual or potential conflict between the personal interests of an employee and the interests of KM, the research community, or the general public; or

(ii) The reasonable appearance of such a conflict to the research community or the general public. For example, if an officer, board member, employee, or agent of her/his immediate family, her/his or her spouse/partner, or an organization that employs or is about to employ any of these parties, has a financial or other interest in the vendor selected, there may be an actual or apparent conflict of interest. Please refer to the KM's Code of Conduct regarding the employee's disclosure obligations.

Open Tendering

Open tendering shall be the default procurement method for goods, works and non-consultancy services. There is need for a written justification that shall be placed in the record of the procurement proceedings stating the reasons for using a procurement method other than open tendering.

Restricted Tendering

If the KM needs to procure of any other item which is considered a "*restricted good*," the party requiring the procurement will notify the Senior KM Employee or his/her designee, who will seek guidance and approval from the concerned governmental authorities before the procurement. If necessary Minister Approvals will be requested by KM's Mayor;

Restricted tendering may be used in the following cases:

- (i) When the goods, works or services are only available from a limited number of bidders; or
- (ii) When the time and cost of considering a large number of bids is disproportionate to the value of the procurement;
- (iii) In the case of unforeseeable circumstances, not due to the conduct of the procuring entity, which cause the time required for open tendering to be impractical;

Bidding Documents

Article 33 of Procurement Law illustrates that the bidding documents shall be provided to all bidders responding to invitation to bid.

The bidding documents shall include:

- a) Bids preparation and submission guideline



- b) Set bid evaluation criteria;
- c) Information described in article 16,19 and 30 of Afghanistan Procurement Law;
- d) Any other rule prescribed by the procedures and roles by public procurement policy unit;

Procurement Announcement

The announcement of procurement shall include following information:

- 1. Description of Goods or Services being procured;
- 2. The means for soliciting and receiving the bidding documents;
- 3. The deadline, time and venue for the submission of bids, for holding tendering hearings;
- 4. The procuring entity discourse/address;
- 5. Prerequisite for provision [or otherwise] of security.
- 6. Any other information in accordance with the provisions of this Law.

Publication of Announcement

The proclamation of a tendering proceeding, an invitation to pre-qualify, or a notice of a restricted tender, shall be published in the *mass media*, and, in the case of international tendering, published in the English language in media of wider international circulation, the expenditure for same to be met by procuring entity. For both domestic and international procurement, procuring entities shall to the greatest extent feasible, also publish procurement announcements through the internet.

Subcontract Agreements

In order to comply with KM's procurement policy, sub-agreement payments made via the contractor require additional handling. The contractor may subcontract up to twenty percent (20%) of the enactment of the procurement contract with the written agreement of the KM.

Agreement to a subcontract may be granted on condition that it does not affect any other responsibility of the contractor under the procurement contract, and the sub-contractor shall be qualified to carry out the same duties as the contractor.

Contract Termination and Cancellation

The procurement contract terminates upon fulfillment of all of its terms, and shall provide for termination prior to contract fulfillment, including,

- (i) Termination by the entity on the grounds of default by the contractor in the performance of the contract;



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- (ii) Termination by the government to ensure national interest;
- (iii) Cancellation for impossibility of fulfillment of the terms of the contract due to *force majeure*.



Annex 1

Terminology

The following terms [as used] in this Law shall have the meanings provided below:

1. ***“Procurement”*** means acquisition of goods, works or services by entity or through a contractor by use of public funds.
2. ***“Award authority”*** means the person with authority to award a contract or approve a contract modification concerning the procurement of goods, services or works, pursuant to provisions of this Law and the Public Finance and Expenditure Management Law.
3. ***“Bidder”*** means a legal or natural person, according to the provisions of the bidding documents who, or whose legal representative; submits an offer and participates in the procurement proceedings in accordance with provisions of this Law.
4. ***“Bid”*** means a tender, proposal, or price quotation given by a bidder in response to an invitation or request for the provision of goods, works or services.
5. ***“Bidding Documents”*** means documents [issued by the Entity] describing quantity, quality, characteristics of the goods, works and [non-consulting] services [to be procured], conditions and the procedure for submitting a bid.
6. ***“Request for Quotations”*** means the document used to carry out low-value procurement of standard goods or services [or] works, in accordance with the provisions of this law.
7. ***“Open Tender”*** is the [procurement] method, in which any bidder may submit a bid concerning the procurement of his interest, in compliance with the specifications set forth in the bidding documents, to the relevant entity.
8. ***“Restricted Tender”*** means the tendering method in which a limited number of bidders, which shall not be less than three, are invited to bid.
9. ***“Single Source Procurement”*** refers to the method of procurement in which the procurement contract is concluded directly without holding a competitive proceeding as provided for in this Law.
10. ***“Procurement Contract”*** means the written agreement made by an entity with a contractor with respect to the procurement.
11. ***“Procurement Proceeding”*** means all the procurement activities that follow the procurement initiation decision as provided for in this Law, including any prequalification proceedings, that terminate with the completion of the procurement in accordance with the procurement contract provisions.



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12. ***“Request for proposal for Consultancy Services”*** means the document utilized for procurement of consultants’ services in which the procedures and conditions for submission of proposals is described.
13. ***“Contractor”*** is a successful bidder who contracts with a procuring entity to provide goods, works and services.
14. ***“Responsive Bid”*** is a bid submitted by bidder that is in accordance to the requirements of bidding documents.
15. ***“Goods” (ajnas)*** means objects of every kind including raw materials, products and equipment’s whether in solid, liquid or gaseous form, as well as services incidental to the provision of the goods provided the value of such incidental services does not exceed that of the goods.
16. ***“Tendering”*** means any formal and competitive procurement procedure through which bids are requested, received and evaluated for the procurement of goods, works, and services, and as a consequence of which an award is made to the successful bidder.
17. ***“Auction” (Muzaida)*** means a process in which persons participate in a bidding gathering aiming at increase on the price of government’s movable/immovable property intended for sale or lease.
18. ***“Procurement Committee”*** is a Committee of Directors and Officials appointed by the entity to carry out procurement proceedings as provided for by this Law.
19. ***“Evaluation Committee”*** is a Committee appointed by the entity in order to evaluate and compare bids and prepare and submit evaluation report.
20. ***“Entity” (edaara)*** means any ministry, independent head departments, state owned enterprises, other budgetary unit, and also municipality, government companies and mixed companies in which the share of State ownership exceeds twenty-five percent (25%).
21. ***“Consultants’ services”*** refers to activities of a professional, intellectual, and advisory nature. Provision of materials and goods or works shall be an exception to this rule, except when the works are of an informational nature. They include design, supervision, training, auditing, software development, expert proposals and advice, and similar technical or professional services.
22. ***“Works”*** includes work associated with the construction, reconstruction, demolition, repair or renovation of a building, structure or site preparation, excavation, erection, installation of equipment or materials, decoration and finishing, as well as services incidental to construction such as drilling, mapping, satellite photography, seismic investigations and similar services provided pursuant to the procurement contract, provided that the value of those services does not exceed that of the construction itself.



Islamic Republic Of Afghanistan



Kabul Municipality

Kabul Municipality

Annex 2

REQUEST FOR COMPETITIVE BIDS

This is KM Competitive Bid number _____. Kabul Municipality hereby requests closed bids to supply the item(s) described below within the specified time frames. Your bid must include all shipping/handling/insurance charges to deliver the requested items free on board at:

Bid opening will occur at (place) _____ on (date) _____ at (time) _____.

You are invited to attend the public opening of bids.

Item #	Quantity	Specifications	Delivery Date

TOTAL BID _____

Damages for Non Compliance:

Special Health and Safety Requirements:

Special Delivery Requirements:

Your bid must be prepared using the attached bid form or a reasonable facsimile thereof, received at the address shown above by close of business on _____(date) to be considered.

Approving Authority Name

Signature

Date



Islamic Republic Of Afghanistan



Kabul Municipality

BID Document

Annex 3

KM Competitive Bid number (from bid solicitation): _____

Company submitting this bid:

Name _____ Telephone/Mobile _____

Address _____

Fax _____

E-mail _____

Description and specification of materials to be supplied:

Item #	Description/Specification	Delivery Date	Delivered Price

Total Bid _____

By signing and submitting this bid you are guaranteeing to KM that you can deliver the above described items free on board to KM at the address shown in the bid solicitation and in full compliance with all specified health, safety and delivery requirements no later than the date(s) specified in the bid solicitation.

Printed Name and Title

Signature

Date

Company Seal

Kabul Municipality

PURCHASE ORDER

Annex 4

Date: _____ Requisition number _____

PURCHASER: _____

KM unit	Budget line item	Account number to be charged
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VENDOR: Name _____ Telephone/Mobile _____

Address _____ FAX _____

Description of item(s) purchased:

[illegible]

Health and Safety Hazardous Materials? Y N (circle)

Special Health/Safety specifications:

Health/Safety Officer Name

Signature

Date _____



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DELIVERY: Materials must be delivered no later than (Date required) _____ by
(Mode of delivery) _____ between the hours of 9AM and 2:30 PM,
Saturday to Wednesday, Public Holidays Excepted, to:

KM Shipping/Receiving Agent at (address) _____.

APPROVALS	Printed Name	Signature	Date
Purchasing Agent			

Is this a single source purchase of over Afs 30000 ? Yes No (circle).

If yes, the following approvals are required:

APPROVALS	Printed Name	Signature	Date
Procurement Committee			
DG Procurement			

RECEIPT OF ORDER

DATE& TIME RECEIVED _____

VERIFICATION BY SHIPPING AND RECEIVING OFFICER

Y N Quantities verified

Y N Inspected for external damage

Y N Inventory control numbers applied and logged

If answer is no to any of the above, explain

Shipping/Receiving Agent Printed Name	Signature	Date/Time
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Inspection by Inventory Officer (if required):

Description of inspection process:



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All Health and Safety Requirements met? Y N (circle one)

If no, explain:

Health/Safety Officer Printed Name

Signature

Date/Time